

Message Text

LIMITED OFFICIAL USE

PAGE 01 KUWAIT 02216 021000Z

12

ACTION NEA-16

INFO OCT-01 EUR-25 EA-11 ISO-00 EB-11 TRSE-00 OMB-01

CIAE-00 DODE-00 INR-10 NSAE-00 PA-04 RSC-01 USIA-15

PRS-01 SP-03 DRC-01 /100 W

----- 121423

R 020847Z JUN 74

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 9770

USDOC WASHDC

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY BELGRADE

AMEMBASSY JIDDA

AMEMBASSY MANAMA

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

LIMITED OFFICIAL USE KUWAIT 2216

EO 11652: NA

TAGS: PFOR, BMEP, EGEN, KU

SUBJ: SOVIETS-YUGOSLAVS FAIL WIN LARGE POWER CONTRACT

REF: A) KUWAIT 1098; B) KUWAIT 1520; C) KUWAIT 1732

1. AFTER MONTHS OF DELIBERATIONS KUWAIT MIN ELECTRICITY AND WATER, AS PREDICTED, ON MAY 30 SIGNED LETTERS OF INTENT TO EQUIP AND CONSTRUCT 600 MEGAWATT POWER PROJECT WITH TOSHIBA FOR TURBINES, BABCOCK (FRANCE) FOR BOILERS, AND TEISEI FOR CIVIL WORKS. WHILE FINAL CONTRACT FIGURES UNKNOWN, IT LIKELY TOTAL PACKAGE IN RANGE OF \$200 MILLION.

2. AS REPORTED REFTELS, YUGOSLAV COMPANY BIDDING WITH SOVIET TURBINES AND BOILERS CAME IN WITH LOW BID OF KD 50 MILLION
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KUWAIT 02216 021000Z

(KD 1 EQUALS \$3.38). SINCE BID SUBMISSION DEADLINE, WE HEARD

REGULAR REPORTS THAT SOVIETS WERE PUSHING HARD TO HAVE THEIR OFFER ACCEPTED. WE UNDERSTAND PROJECT WOULD NECESSITATE SEVERAL HUNDRED FOREIGN TECHNICIANS AND ENGINEERS BEING BROUGHT IN FROM SUCCESSFUL COMPANIES WITH IMPLICATIONS OF GREATER SOVIET PRESENCE AND INVOLVEMENT IN KUWAIT RATHER OBVIOUS.

3. WHILE IT CAN BE ASSUMED KUWAITIS FOR POLITICAL REASONS WERE LOOKING FOR REASONS TO REJECT SOVIET OFFER, FACTORS WHICH DIRECTLY BLOCKED ACCEPTANCE SOVIET BID WERE UNFAVORABLE REPORT SUBMITTED BY SEVERAL KUWAITIS WHO TOURED SEVERAL SIMILAR SOVIET EQUIPPED INSTALLATIONS ON BEHALF MIN ELECTRICITY AND WATER AND ABILITY OF TOSHIBA AND BABCOCK (FRANCE) TO RDU CO THEIR BID PRICES SUBSTANTIALLY IN NEGOTIATING WITH THE MINISTRY, THUS, GREATLY NARROWING DISPARITY BETWEEN THEIR OFFERS AND THOSE OF SOVIETS.

4. REQUEST COMMERCE NOTIFY BLAINE REICK OF WESTINGHOUSE POWER SYSTEMS PROJECTS DIVISION, PITTSBURGH OF CONTRACT AWARD. (REICK VISITED KUWAIT IN APRIL AS MEMBER COMMERCE-SPONSORED TRADE MISSION.)

5. COMMENT: EMBASSY BELIEVES IT UNFORTUNATE NO U.S. COMPANIES BID PROJECT (G.E. WESTINGHOUSE, AND COMBUSTIONS ENGINEERING WERE ALL AWARE OF PROJECT). WESTINGHOUSE MAY HAVE HAD CHANCE TO SUBMIT LATE PROPOSAL WHEN IT BECAME APPARENT SOVIETS WERE BY FAR LOWEST BIDDERS, BUT BY TIME COMPANY WAS ABLE TO REACH A DECISION AND FORMULATE PROPOSAL, TIME FOR ACTION HAD PASSED. MCCLELLAND

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, SALES, PROGRAMS (PROJECTS), FOREIGN INVESTMENTS, ELECTRIC POWER PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KUWAIT02216
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740139-0976
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740681/aaaacsnc.tel
Line Count: 89
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) KUWAIT 1098; B) KUWAIT 1520; C) K, UWAIT 1732
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 26 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 APR 2002 by cunninfx>; APPROVED <19 FEB 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SOVIETS-YUGOSLAVS FAIL WIN LARGE POWER CONTRACT
TAGS: PFOR, EGEN, YO, KU, UR
To: STATE COM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005